

Chapter 7: Housing

Gross Rent as a Percentage of Household Income

GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME

Examining rent as a percentage of household income (ratio of monthly gross rent to monthly household income) provides insight into housing affordability. Housing costs are generally considered to be affordable when they are 30% or less of a household's income. Based on this standard, 34% of Houston's renters in 2000 (compared to 33% in 1990) were living in housing that was not affordable to them, i.e. it consumed more than 30% of household income. Rising rental rates have had a limited impact on affordability.

Rent increases outpaced income between 1990 and 2000. Median household income increased 18% (from \$30,905 to \$36,616) while median gross rent increased 24% (\$462 to \$575). In 2000, median gross rent cost was 18% of the median household income compared to 19% in 1990, which makes the increase in rental housing costs appear to have less of an impact.

Table 7.12

Median Rent as a Percent of Median Household Income

	Units		\$	%
	2000	1990	change	change
Median Household Income (annual)	\$ 36,616	\$ 30,905	\$ 5,711	18.5%
Median Household Income (monthly)	\$ 3,051	\$ 2,575	\$ 476	18.5%
Median Gross Rent (monthly)	\$ 575	\$ 462	\$ 113	24.5%
Median Gross Rent as a percentage of Household Income	18.8%	17.9%	-	-

'Gross Rent as a Percentage of Household Income' is the ratio of monthly gross rent to monthly household income (total household income divided by 12). Units for which no cash rent is paid and units occupied by households that reported no income or net loss comprise the category "computed." In the City of Houston, this accounts for about 5% of all renter households. For purposes of analysis, this data has been compiled into 3 categories: households with gross rent (1) less than 20% of income, (2) between 20% to 30% of income (3) more than 30% of income.

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Table 7.13

Gross Rent relative to Household Income

	Units		% of total	
	2000	1990	2000	1990
Total Renter-Occupied Units	388,584	350,953	100.0%	100.0%
Rent Less Than 20% of Income	138,546	131,411	35.7%	37.4%
Rent 20-30% of Income	93,954	86,169	24.2%	24.6%
Rent More Than 30% of Income	133,271	117,020	34.3%	33.3%
*Percentage Not Computed	22,813	16,353	5.9%	4.7%

** Units for which no cash rent is paid and units occupied by households that reported no income or a net loss comprise the category "not computed." In the City of Houston, this accounts for about 5% of all renter households.*

Change in Gross Rent relative to Household Income

	Units		#	%
	2000	1990	change	change
Total Renter-Occupied Units	388,584	350,953	37,631	10.7%
Rent Less Than 20% of Income	138,546	131,411	7,135	5.4%
Rent 20-30% of Income	93,954	86,169	7,785	9.0%
Rent More Than 30% of Income	133,271	117,020	16,251	13.9%
* Percentage Not Computed	22,813	16,353	6,460	39.5%

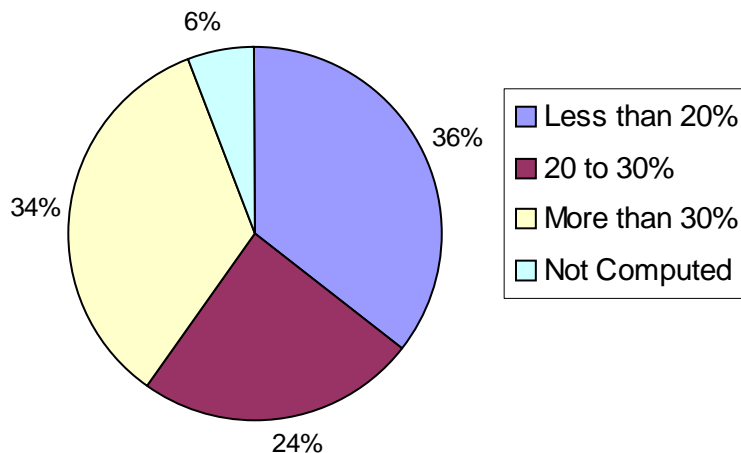
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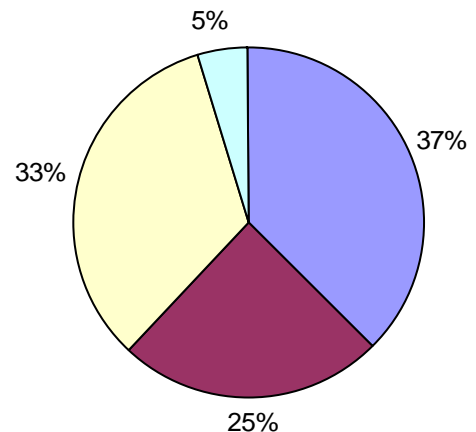
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Figure 7.16

Rent as a Percentage of Household Income:
2000



Rent as a Percentage of Household Income:
1990



Between 1990 and 2000, the number of renter households increased by 37,631. Among these, 40% were paying rents that were not affordable. The remaining 60% of renter households were evenly divided with half paying less than 20% and half paying between 20% and 30% of income on rent.

The Super Neighborhoods where high proportions of renter household pay more than 30% of their income in rent continue to be the same Super Neighborhoods with high rents, namely the western half of the City and the extreme northeast and southeast. In 2000, unlike in 1990, several Super Neighborhoods in the eastern Inner Loop area also have above-average percentages of renters paying 30% or more of their income to rent.

Gross Rent Less Than 20% of Income

Citywide, slightly more than 1/3 of all renter-occupied households pay very affordable rents,

meaning rents costing 20% or less of their income. Between 1990 and 2000, renters in this category increased 5.4%.

In both years, Super Neighborhoods with high proportions of its renter households paying less than 20% of their income to rent are high-income areas such as the western side of the City, the far northeast and southeast. In 2000, about 45% of the renter households in Afton Oaks/River Oaks, Greater Uptown, and Minnetex, spent under 20% of their income on rent. In 1990, the highest percentages (over 49%) were found in Addicks/Park Ten, Eldridge/West Oaks, Greater Uptown and Willowbrook.

Both in 1990 and 2000, the largest number of such households was in Greater Uptown, Woodlake/Briar Meadow and Sharpstown. In 2000, they each had over 5,900 such households, compared to 6,200 in 1990.

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Gross Rent 20% to 30% of Income

Both in 1990 and 2000, nearly 25% of all renter households paid moderate rents (rents that are 20% to 30% of household income). Between 1990 and 2000, there was an increase of 7,785 such households.

As with the category above, Super Neighborhoods with high proportions of renter households paying moderate rents are high-income areas such as the west, northeast, and southeast, although moderate-income areas in the northwest and southwest also show high proportions of renter households in this category. In 2000, about 30% to 50% of all renter households in Midtown, Medical Center and Hunterwood paid moderate rents, compared to Edgebrook, Hunterwood, and Kingwood in 1990.

The largest numbers of such households in 2000 were found in Alief, Sharpstown, and Woodlake/Briar Meadow, all with 4,200 or more. In 1990, the largest counts were in the same three Super Neighborhoods, each with 3,900 or more renters paying less than 20% of their income to rent.

Gross Rent More Than 30% of Income

Both in 1990 and 2000, 1/3 of all renter households spent 30% or more of their household income in rental costs. However, between 1990 and 2000, *the number* of renter households that pay more than 30% of their

income towards rent grew by 13.9%, from 117,020 in 1990 to 133,271 in 2000.

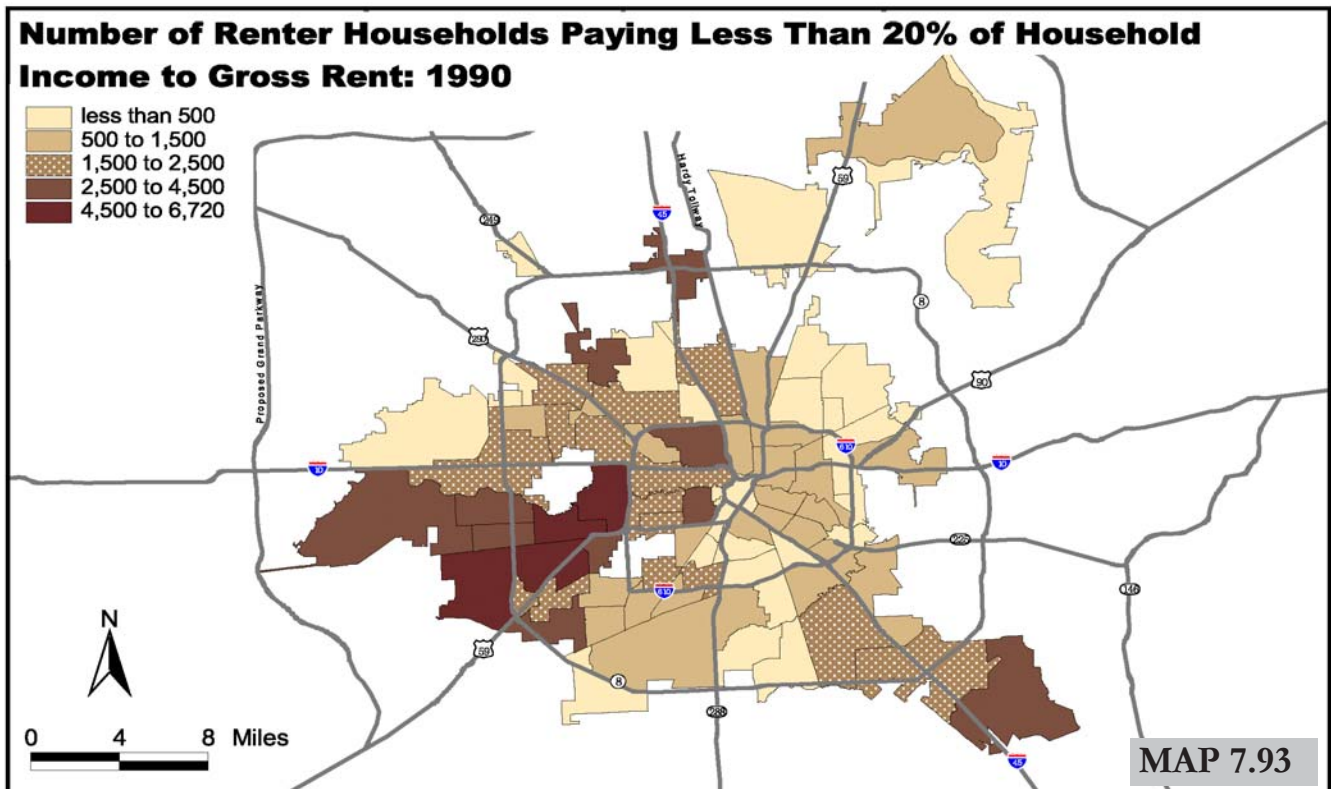
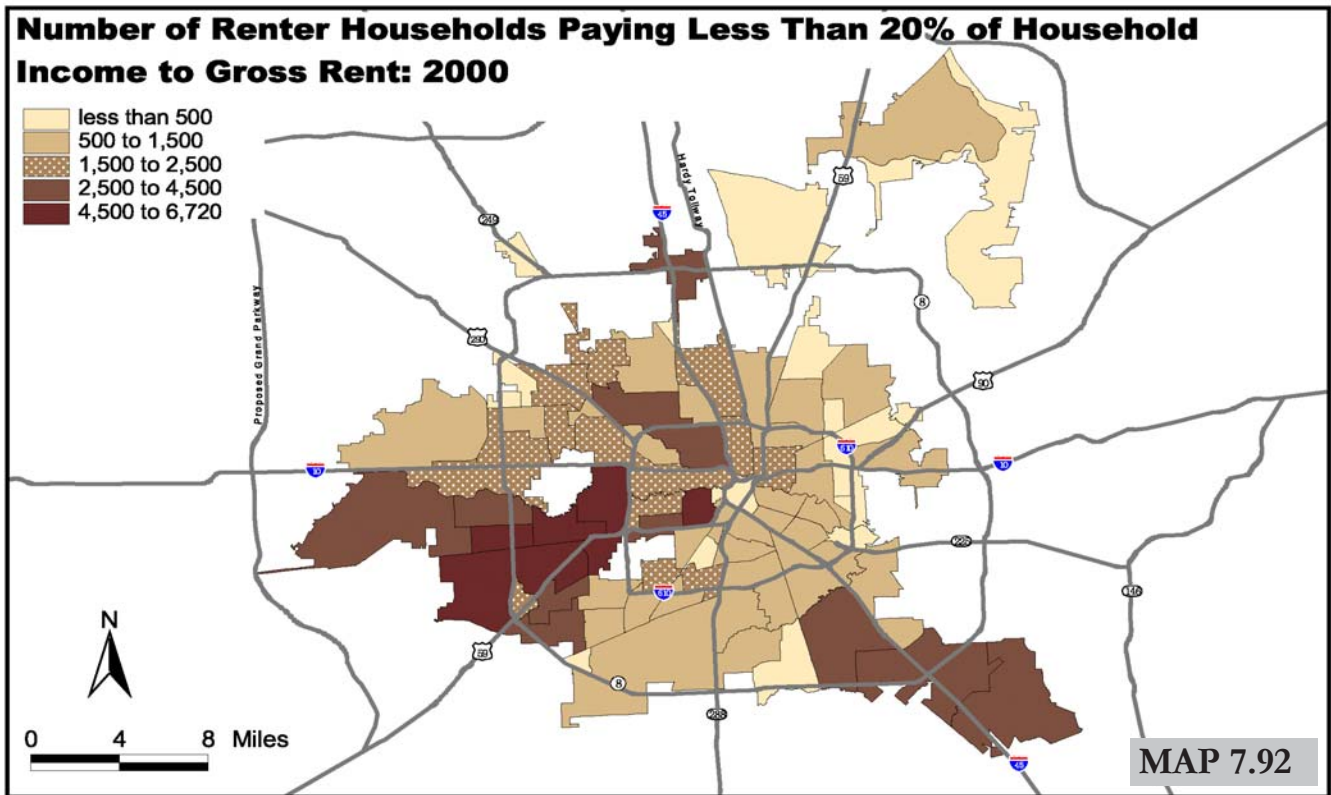
There are several areas of the City in which it is common for 40% or more of renter-occupied households to pay more than 30% of their income in rent. These include the northeast outside Loop 610 and the south and northwest inside Loop 610. Between 1990 and 2000, there was an increase in the number of Super Neighborhoods in the northwest and southwest with concentrations in this category above the citywide percentage. Overall, the distribution of areas with high concentration of renters in this category remained the same during this time.

In 1990, the highest percentages of renter households in this category (55% or more) were found in East Houston, East Little York/Homestead, Clinton Park, and the Third and Fifth Wards. In 2000, the Super Neighborhoods with the highest percent of renter households in this category were El Dorado/Oates Prairie, East Houston, and Pleasantville, each with over 45% of renter households paying over 30% of their income to rent. This distribution changed only slightly from 1990 to 2000, with a decrease in the number of Super Neighborhoods in the northeast and central south having high percentages of households in this category.

Similar to 1990, the largest counts of such households in 2000 were found in Sharpstown, Alief, and Gulfton. In 2000, these Super Neighborhoods had 5,700 or more renters paying more than 30% of their income to rent compared to 4,300 in 1990.

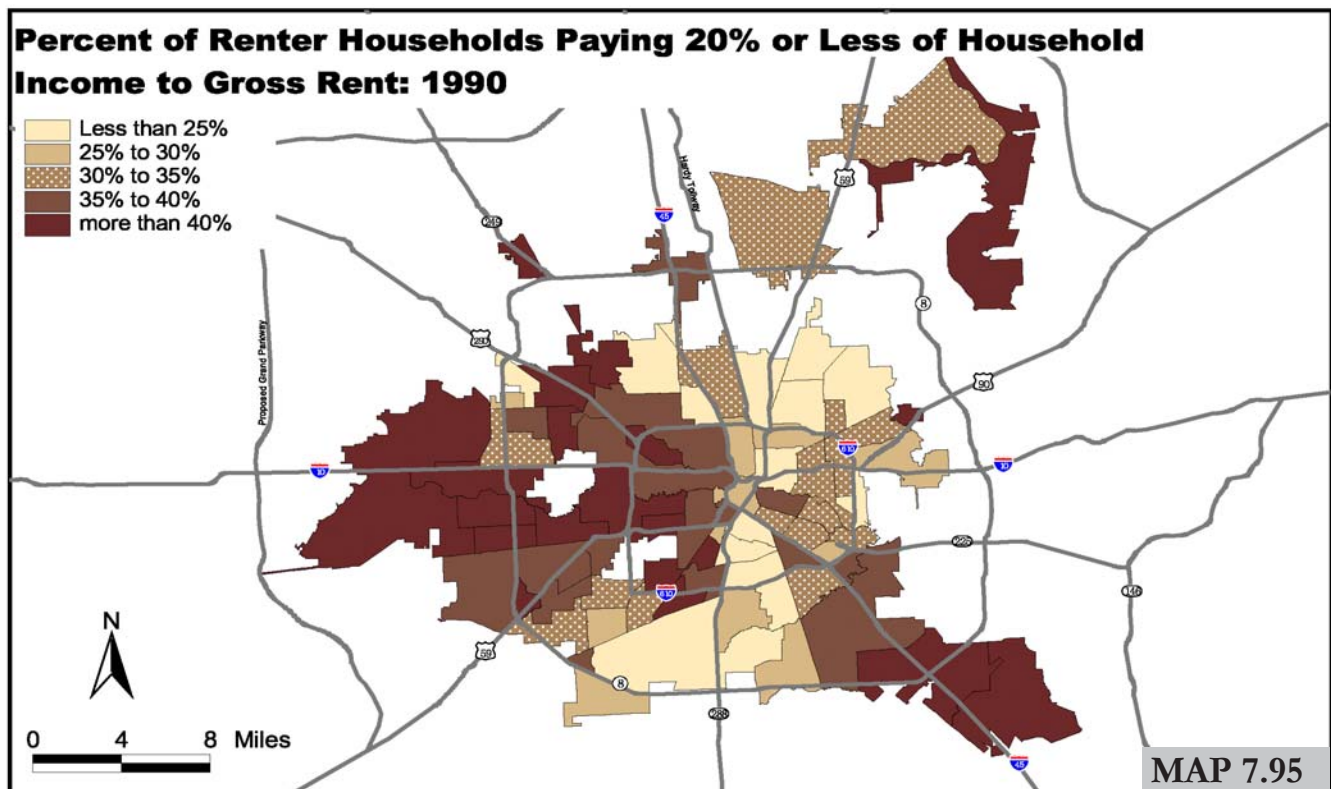
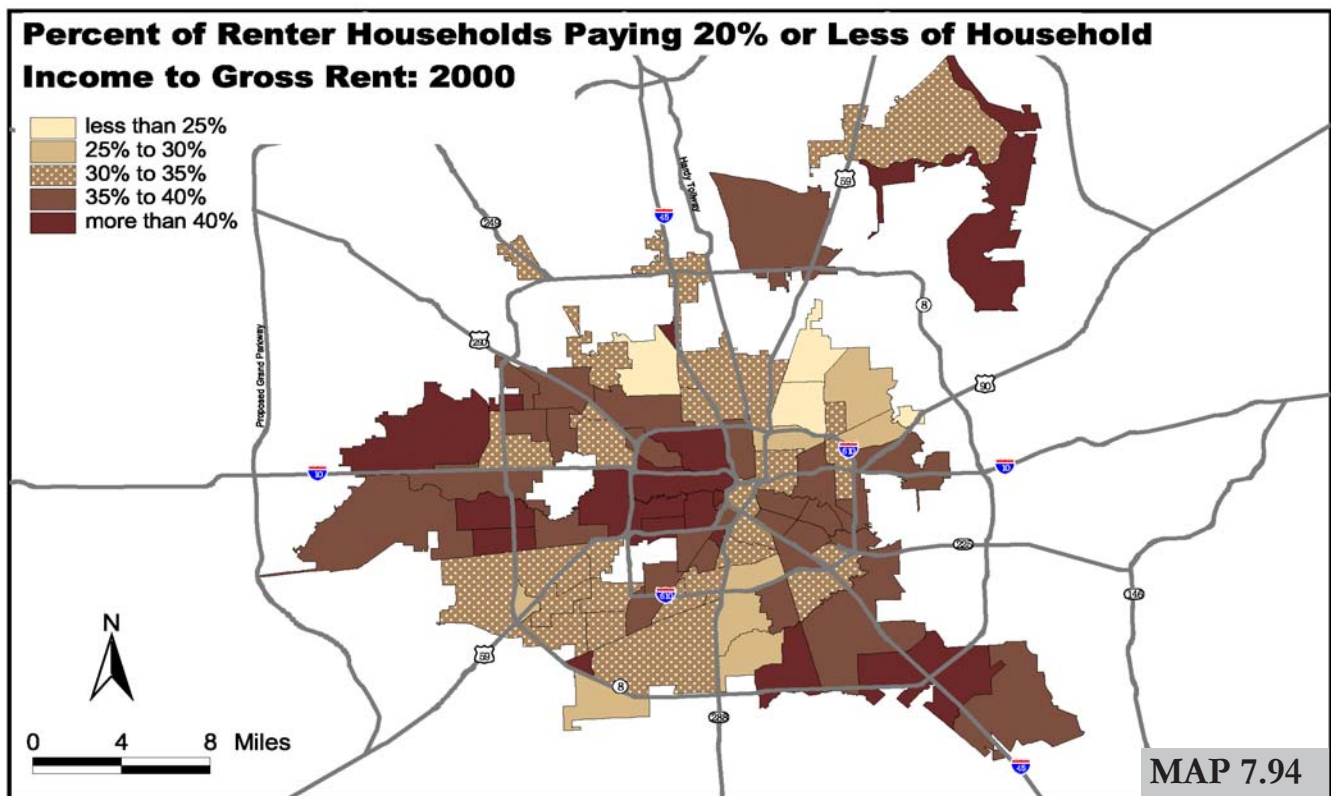
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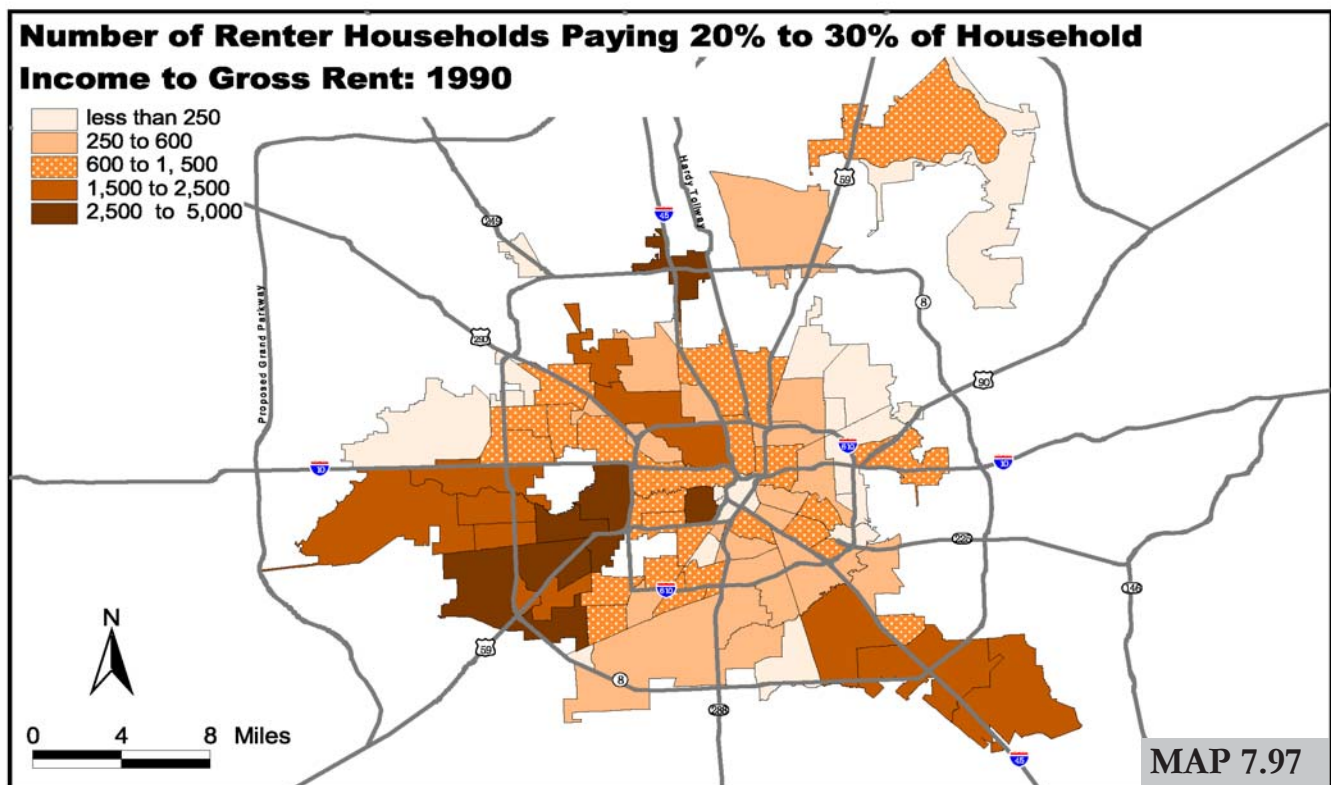
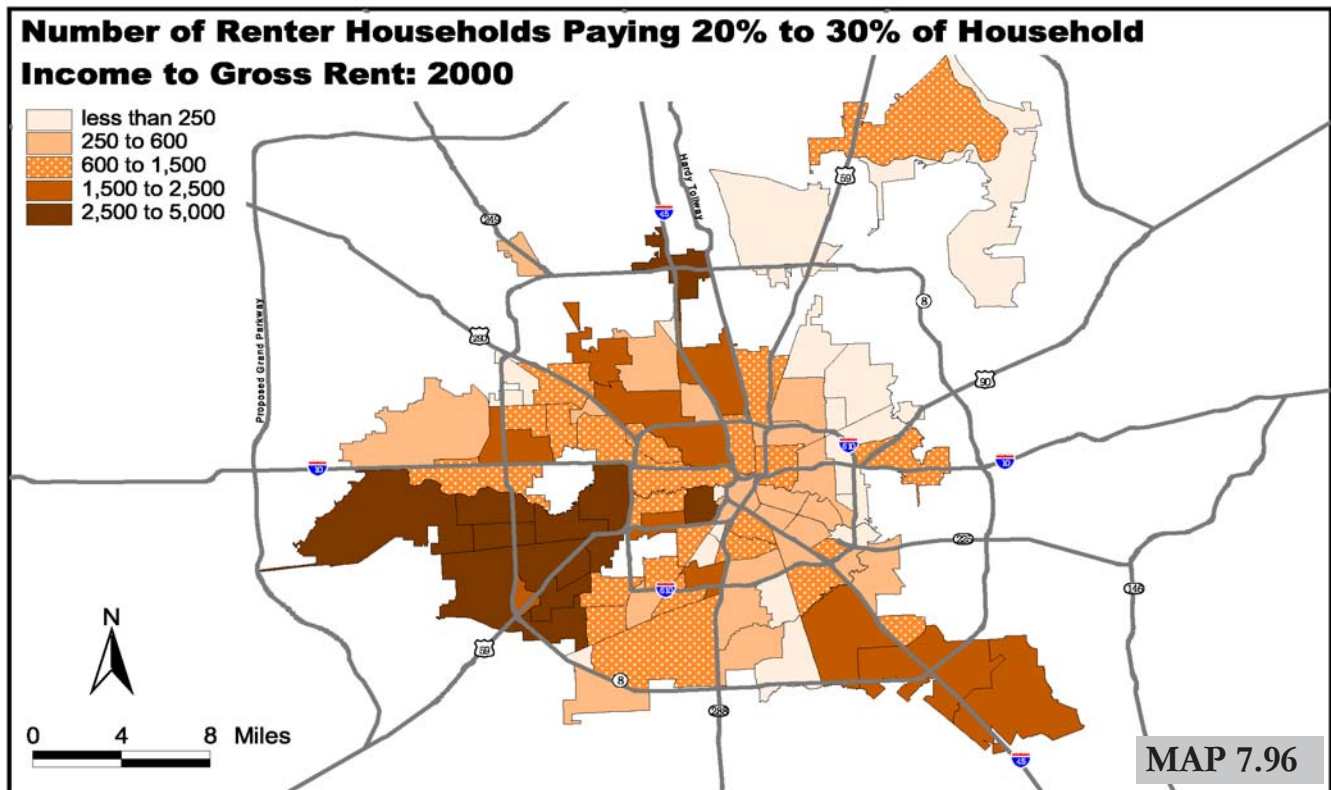
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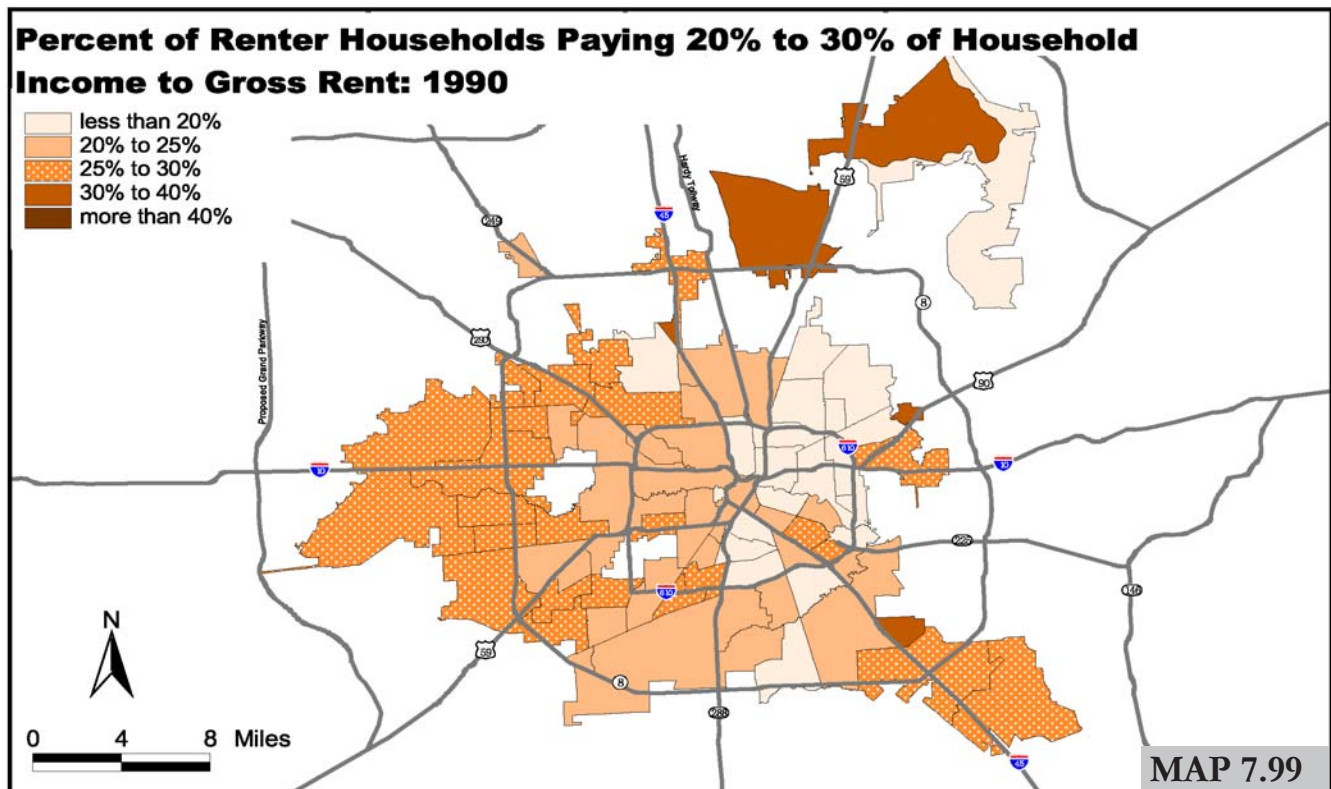
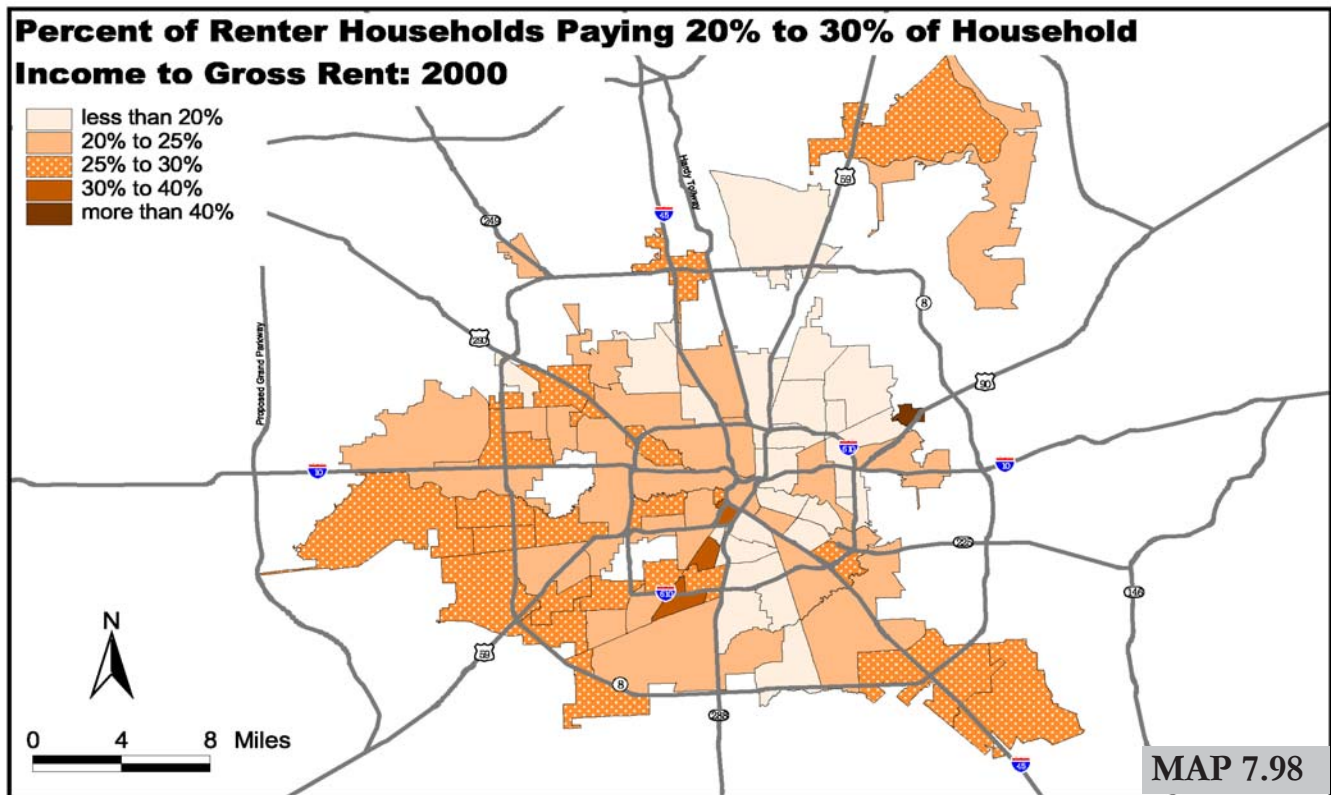
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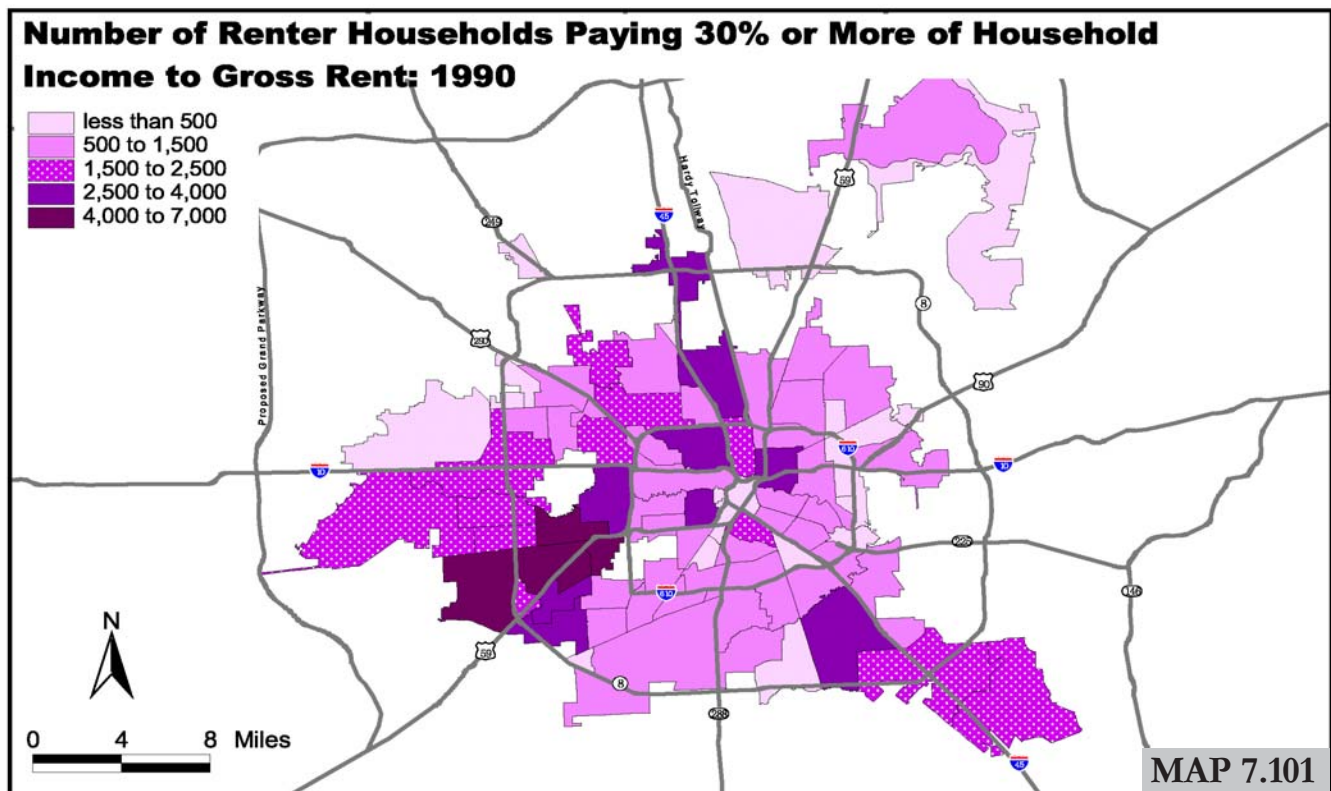
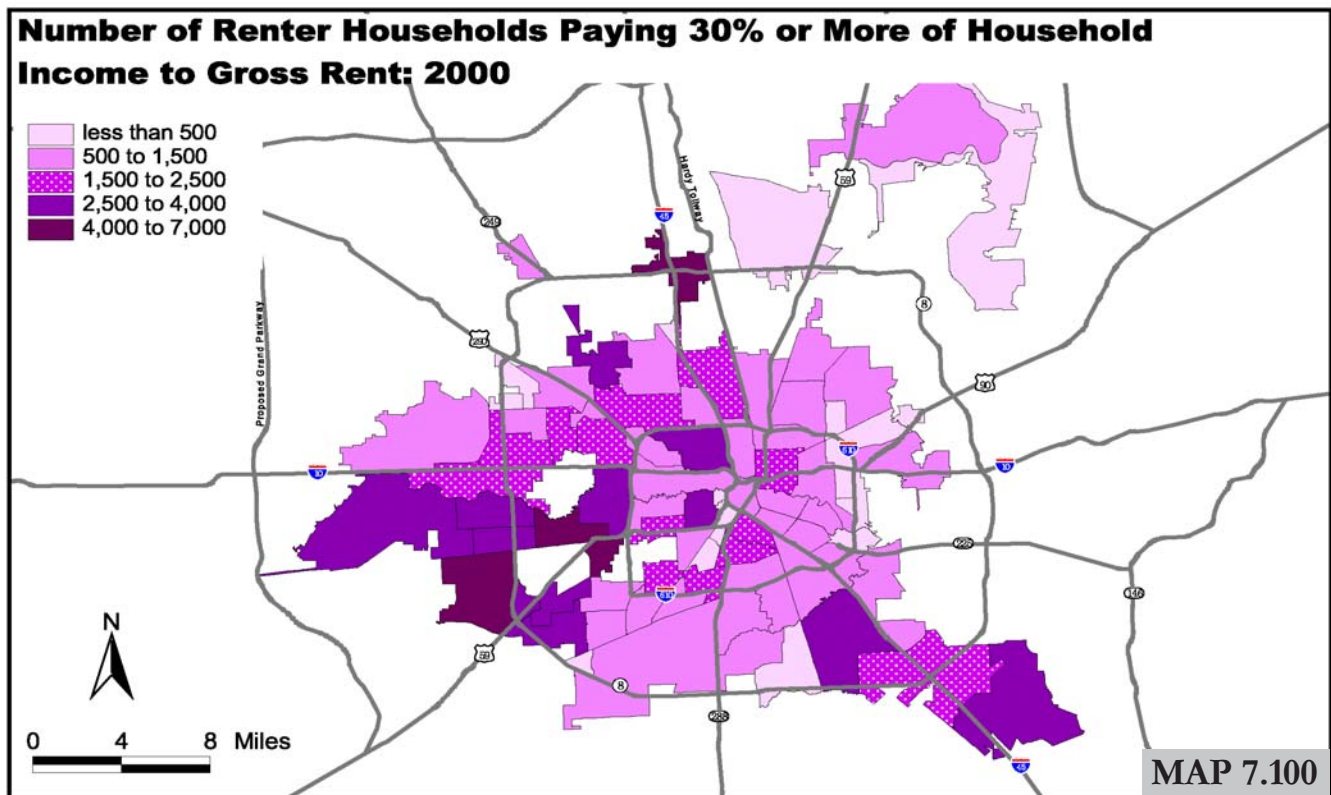
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